



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO CHANGE FOR LACLEDE GAS COMPANY CUSTOMERS

Jefferson City (June 13, 2002)---To reflect a change in the cost of natural gas for the remaining summer season, Laclede Gas Company will increase the natural gas rates for its customers effective June 14, 2002. This filing covers the period through October.

A residential customer currently pays \$0.32250 per therm (per 100 cubic feet of gas). Under its scheduled June filing, the rate will increase to \$0.43791 per therm, an increase of approximately 11.5 cents per therm. The effect of the proposed rate adjustment on a typical residential customer for the remainder of the summer season is an increase of approximately \$18.83 or 8 percent when compared with the rates currently in effect.

The rates charged by wholesale suppliers of natural gas are not regulated by the Missouri Public Service Commission. These rates were deregulated by an act of the United States Congress more than a decade ago.

Approximately 60% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas (the cost your local natural gas company must pay to its supplier for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.**

Under an agreement approved by the Commission in March, Laclede Gas Company will make four scheduled filings a year (June, November, January, March) to reflect the anticipated cost of delivered natural gas to its customers. Previously, Laclede made a scheduled winter filing (November) and a scheduled summer filing (April). The change to four filings per year is intended to more closely track market conditions and reduce the magnitude of PGA (Purchased Gas Adjustment) rate changes when they do occur.

This rate change will affect approximately 632,600 Laclede Gas Company natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.

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